

pay penalties. That is what this amendment will do. That is why I believe it is such a win-win approach to State and Federal prosecutions with regard to human trafficking.

This amendment also provides oversight and transparency by assuring there must also be communication between the States and the Federal Government when making human trafficking prosecution decisions.

However, as to the broader human trafficking bill that so many Members of this body have been working on—so many on both sides of the aisle—if that bill dies on the Senate floor, so will the numerous amendments that would also advance justice for the victims of human trafficking, including the Mann Act cooperation amendment. This is just one of many amendments on this important topic. We should not allow this to happen.

We need to get to work for the victims of human trafficking, who are looking for the Senate's leadership to help stamp out this scourge of human trafficking, which is affecting our country in so many different areas.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

#### DISABILITY INSURANCE TRUST FUND

Mr. HATCH. Mr. President, I rise to speak again on the impending exhaustion of reserves in the disability insurance program or the disability insurance trust fund.

As we know, disability insurance, or DI, is an important program administered by Social Security Administration, or SSA. The impending exhaustion of the DI trust fund threatens disabled American workers with benefit cuts, under current law, toward the end of calendar year 2016.

Once again, I am committed to working with anyone to ensure that those cuts do not occur. Unfortunately, the administration and SSA have yet to show they are committed to addressing this problem.

As chair of the Senate Finance Committee, I will continue speaking on the floor about the imminent challenge that we face with the DI trust fund and about solutions.

I will continue to reach out to shareholders and to anyone who is interested in bipartisan discussions aimed at achieving solutions. And I will be acting to at least begin to chip away at the financial challenges facing the DI program, which I have been warning people about for years—that it is going to go broke unless we do something to improve them. I do believe we should act at least to begin to chip away at the financial challenges the DI program is facing, while examining ways we can help improve and modernize the Social Security system itself.

I once again call on my friends on the other side of the aisle and in the administration to join me in this effort.

I wish to take a moment to note that some recent proposals to reform Social Security that have been put forward by some of my friends on the other side of the aisle are, simply put, irresponsible. We have seen proposals recently to raise taxes in the Social Security Program, usually to increase net progressivity in an already progressive structure and then spend most of the revenue on benefit expansion without adequately considering the fact that even under their proposal we have gaping long-run holes in Social Security's finances. Raising taxes and increasing some benefits now, while still leaving an unsustainable financial structure in place, would be fundamentally unfair to younger generations of workers who will have to eventually pay even more taxes, suffer from benefit cuts or, more likely, both.

The so-called progressive reform plans that tax more and promise more benefits, even though the promises are unsustainable, are surely poll-tested with demographic groups who probably do not scoff at promises of more benefits and higher taxes on the so-called rich. Those plans may help in fundraising for numerous groups who try to benefit from the politics of fear surrounding the Social Security system.

But those plans do nothing for younger generations of workers, aside from sending them a clear message that they are on their own.

Again, this is irresponsible.

More generally, some believe that we could solve all or most of the financial challenges facing the DI program and Social Security, in general, through higher taxes.

To investigate whether that is the case, I made several requests of the Congressional Budget Office regarding this strategy. Recent analysis performed in response to those requests shows how difficult this approach can be.

Most proposals to reform Social Security by raising payroll taxes would result in massive tax increases, particularly on the middle class—on middle-class Americans—which would negatively impact job growth and harm middle-income families. That is hardly what our economy needs.

For example, according to CBO, if you wanted to generate long-term balance between inflows and outflows for the DI program—using a DI payroll tax increase alone—you would have to increase the tax rate by 39 percent, which would hit low-, middle-, and upper-income earners alike, and it would hit hard.

If you wanted to generate long-term balance for Social Security, generally, including DI and retirement, and try to do it by eliminating the maximum on earnings subject to the payroll tax and resulting benefits, according to CBO, a worker earning \$150,000 a year would pay about 26 percent more in payroll taxes. A worker earning \$200,000 a year would pay about 68 percent more, and a worker earning \$250,000 a year would pay 109 percent more.

Now, it may be that raising taxes by 26 percent to more than 100 percent on those earners is something that my friends on the other side of the aisle are comfortable with—under the notion of taxing the so-called rich.

I would note, of course, that while a family headed by someone earning \$150,000 a year may be comfortable in many areas of the country, it appears that the ever-changing definition of rich is descending lower and lower into the middle class, as my friends on the other side have lectured more and more over recent years about inequality.

Even if you were to eliminate the taxable minimum entirely but still provide corresponding benefits to upper earners in accordance with current law, only around 45 percent of Social Security's long-run financial challenges would be addressed. You would still need to hike taxes more, cut benefits, or both, to fully address the program's long-term fiscal problems. Because upper earners will pay more taxes but also receive corresponding benefits, since Social Security was designed to have such a correspondence, the policy of increasing the taxable maximum ends up giving higher replacement rates to upper earners.

That hardly seems to be a workable solution—since it doesn't solve the financial problem, and it doesn't solve the inequality problem that is so bothersome to my friends on the other side.

Perhaps just for the sake of argument, we should consider eliminating the taxable minimum, thereby raising taxes substantially on upper earners, and not giving them any corresponding benefits for those increased tax payments.

Of course, such a policy is bothersome to some of my friends on the other side of the aisle, since it breaks the connection in Social Security between what people put in and what they get out.

Some would say that this would convert Social Security into another welfare program focused on redistribution and away from a program focused more on self-financed retirement security and protection against income losses from disability. So, instead, maybe we should consider eliminating the taxable maximum and give some small benefit return in exchange.

Well, in such a case, according to CBO, you would still not be able to solve the financial challenges facing Social Security. Using scheduled benefits and replacement rates “would increase noticeably only for people in the highest quintile of lifetime household earnings.” I don't think that result would be desirable to the tax-the-rich coalition.

Let me continue by noting some recent remarks on the Senate floor from the junior Senator from Vermont and the ranking member of the Budget Committee, who promises to put forward what he suggests is a courageous way to confront Social Security's financial challenges.

Of course, he has not put forward any legislation or plan in this Congress. So if we want to talk specifics, we have to look at his previous plan, which he released in the 113th Congress.

Under that plan, the current taxable maximum is preserved, as are current payroll tax rates. The new twist is that his plan imposes current payroll tax rates on earnings above \$250,000 a year, which, evidently, is where the distinction between the so-called rich and everyone else lies, in their opinion.

That \$250,000 threshold is not—let me repeat—is not indexed to inflation. Earnings subject to the tax above \$250,000 a year would not be included in earnings used to compute benefits, which is to say that under this plan a worker would pay Social Security taxes on earnings above \$250,000 a year, with no corresponding increase in Social Security benefits.

Again, this would move the system away from a self-financed insurance program toward what some would call welfare and redistribution. Since the new \$250,000 threshold is not indexed, eventually more and more earnings will become subject to increased Social Security taxes without getting anything in terms of benefits and return.

In around 20 years, middle-class earners who today have just surpassed the taxable maximum will be pushed into the earnings category where they lose the connection between Social Security taxes and corresponding benefits.

At that time, an indexed income equivalent of what is around \$120,000 a year today will be deemed to be rich, with earnings above that amount worthy of being taxed more for Social Security but not worthy of receiving any additional Social Security benefits.

So what does the Senator's scheme that, once again, was put forward in the last Congress, accomplish? Admittedly, it does extend the solvency of Social Security by around 28 years or so, but it still does not make the system financially sustainable in the long run, leaving an assured financial shortfall and attendant need for yet more taxes or benefits cuts, and leaving it to younger generations or workers to figure it out. More than likely it will, in many respects, sever the connection between what people pay in to Social Security and what they can expect to get out of this program in terms of benefits. Once again, this represents a fundamental shift in Social Security policy, one that some may support but few are now willing to openly defend.

I look forward to debating, discussing, and voting on any plan that any of my friends on the other side of the aisle put forward to tackle Social Security's financial challenges, including any new plan the junior Senator from Vermont wants to put forward, particularly if it resembles the plan he introduced last Congress. Indeed, I would be anxious to see how many of my colleagues on the other side of the aisle want to go on record in support of yet more tax increases and a funda-

mental shift in the nature of the Social Security Program.

In the meantime, we still have the pending depletion of reserves in the DI trust fund, which is something we will have to address before the end of calendar year 2016.

From my perspective, the sooner we tackle this challenge the better, but it is hard to act when we have an administration that refuses to engage in discussion and seems to want to make this a partisan issue by putting forward a plan to reallocate payroll taxes from one trust fund to another without any further discussion or debate.

What I continue to hear from the administration and many of its allies in Congress are stale talking points, many of which are wrong or distorted, and a "take it or leave it" approach to deliberating over the reallocation scheme devised unilaterally by this administration. The only thing this administration appears willing to discuss when it comes to Social Security is its own kick-the-can strategy coupled with additional administrative funds for the SSA, either funded with yet more Federal debt or by crowding out spending on other discretionary programs.

Meanwhile, I am comforted by many in the disability advocacy community who are at least willing to have conversations about how we can work to improve Social Security's programs while also paying attention to its financial challenges. There are several groups currently hard at work analyzing options and having debate and discussion about what we could look at for program improvements and fiscal responsibility.

There is certainly more we can do to improve the DI system and help make it work better for beneficiaries. There is certainly more we can do to improve Social Security's retirement side to help make it work better for modern family situations. There is certainly more we can do on the program integrity side, including some of the President's proposals and more. There is certainly more we can do to protect against frivolous decisionmaking by administrative law judges in the DI program—and there is plenty of that which is costing us arms and legs. There is certainly more we can do to reduce fraud in the DI program, which literally robs resources from those truly in need.

Sadly, the Obama administration's approach to DI and Social Security in general has thus far been largely to remain silent, even in the face of the impending DI trust fund exhaustion. The only major structural change the administration briefly considered was adoption of the chained CPI in governmentwide price indexation coupled with benefit enhancements for vulnerable populations. However, the President has since withdrawn even that modest proposal and has publicly stated he would not even discuss the idea unless he was assured of getting yet

another tax hike for the general fund to go along with it.

As I have said before, it is premature to kick the can down the road again by agreeing on some payroll tax reallocation between the two trust funds in Social Security as a temporary patch of convenience and a patch that was unilaterally constructed by this administration.

Yes, there have been reallocations among many trust funds in the past, under many varying circumstances, and, yes, many of them have had bipartisan support, but we have known about this coming shortfall for roughly 20 years. In other words, Congress has had roughly 20 years to come up with solutions to help put the DI program and perhaps Social Security in general on a path to long-term financial sustainability, and Congress has failed.

We are now being asked by the current administration to double down on that failed approach—to do another reallocation of push the problem further down the road and hope that in the interim Congress will not fail again.

President Obama, in other policy areas, has argued that if decades show a policy is not working, then "it's time for a new approach." Sadly, that sentiment does not seem to apply when he is talking about Social Security.

As I have said before, it seems we have two paths to choose from; one is the path I prefer, involving examination and discussion of what we can do to enhance the DI program and its finances and what we can agree upon; the other is to engage in divisive political rhetoric and demagogue the issue even further, which is irresponsible, in my view, and not what disabled American workers and all workers insured by the DI program should tolerate.

I repeat my previous call to my colleagues in the Senate: To anyone from either party who wishes to engage in a constructive dialogue about how to fix and improve the DI program and Social Security in general, my door is open. In the meantime, I plan to take whatever steps I can as the chairman of the committee of jurisdiction to help preserve these programs for beneficiaries in the near and long term.

We can't keep going down this way of always demanding more taxes and more spending to solve problems we could have solved a long time ago. We are going to have to get serious about this, and I intend to see that we do.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEINRICH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SPORTSMEN'S ACT

Mr. HEINRICH. Mr. President, I come to the floor today to speak on the